

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice FC-194

For: FSA Offices

FLP Regulations, Directives, and Forms

Approved by: Deputy Administrator, Farm Loan Programs

Carolyn B. Cooksie

1 Overview

A

Background

An effort is underway to streamline and reengineer the FLP-related regulations and directives. Until this is completed, FSA continues to use the former FmHA Instructions and regulations.

There have been many questions about the way FSA currently administers FLP regarding the following:

- CFR's
- FR's
- FSA handbooks
- amendment transmittals
- FFAS Forms Catalog
- forms
- Forms Manual Inserts (FMI's)
- former FmHA Instructions
- Rural Development (RD) Procedure Notices (PN's)
- FSA PN's
- National Procedure Checklist.

29 pages - to be

Disposal Date	Distribution
January 1, 1999	All FSA Offices; State Offices relay to County Offices

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1 Overview (Continued)

B

Purpose

This notice explains the current administrative procedures and methodology regarding:

- the relationship between CFR's and FSA and RD directives that apply to FLP
 - FR publications
 - types of directives and forms issuances
 - planned changes about FLP regulations, directives, and forms
 - distribution process for directives and forms
 - State and County Offices' responsibilities regarding directives and forms management.
-

C

Contacts

If there are questions about this notice, contact either of the following employees:

- Bill Cobb at 202-720-1059
- Steve Bazzell at 202-690-4022.

Note: County Offices shall contact the State Office.

2 Reference Materials

A

Regulation Management

Policies and standards concerning:

- USDA regulations are established in DR 1512-1
 - FSA regulations are established in 21-AS.
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B

Directives Management

Policies and standards concerning FLP directives are established in the following:

- 1-AS
 - RD Instruction 2006-A
 - RD Instruction 2006-B.
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2 Reference Materials (Continued)

C Forms Management

Policies and standards concerning FLP forms are established in the following:

- 3-AS
 - RD Instruction 2006-A
 - RD Instruction 2006-B.
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D Abbreviations and Acronyms

Mandatory and optional abbreviations and acronyms that are used in FSA directives are listed in 1-CM, Exhibit 137.

3 Federal Register System

A Background

Congress established the FR publication system as a method of informing the public about regulations affecting them. The FR system is composed of the following 2 major publications:

- CFR, which is published annually
- FR, which is published daily.

These publications provide an up-to-date version of the regulations used by each Federal agency.

FOIA, which became law on September 6, 1966, requires each agency to publish the following material in FR:

- descriptions of central and field organizations
 - descriptions of the course and method by which its functions are channeled and determined
 - rules of procedure and a description of forms, if available
 - substantive rules of general applicability
 - statements of general policy or interpretations of general applicability
 - each amendment, revision, or appeal of the material in this subparagraph.
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3 Federal Register System (Continued)

B

CFR

The CFR is:

- the basic component of the FR system
- the annual codification of the regulations of each Federal agency
- categorized according to subject matter, and adheres to the following structure.

CFR Structure	Explanation of Structure	Example
Title	Represents a broad area that is subject to Federal regulations. The CFR is divided into 50 titles.	Title 7 concerns agriculture.
Chapter	A title is divided into chapters that are assigned to 1 agency, which may be an entire department or 1 of its units. Chapters are numbered in Roman capitals (I, II, III, etc.).	Most FLP regulations are currently in Title 7, Chapter XVIII, which was formerly assigned to FmHA. Other FSA regulations are in Title 7, Chapter VII, which was formerly assigned to ASCS.
Part	Chapters are divided into parts which are normally limited to a specific subject matter. Parts are numbered in Arabic and may be further divided into subparts which are identified by capital letters.	Title 7, Chapter XVIII, Part 1941 is titled "Operating Loans." Subpart A is titled "Operating Loan Policies, Procedures, and Authorizations."
Section	Parts or subparts are further divided into sections. The section number includes the number of the part, followed by a period and a sequential number.	The first section of Title 7, Chapter XVIII, Part 1941, Subpart A, is 1941.1, "Introduction."

Note: References to specific CFR sections are often abbreviated, such as 7 CFR 1941.1.

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3 Federal Register System (Continued)

C
FR

The FR is a daily publication that provides a uniform system for publishing Federal agency documents. Rulemaking documents update CFR.

The terms "rules" and "regulations" have the same meaning for CFR purposes. An agency publishes the following types of rulemaking actions in the FR.

Rulemaking Action	Explanation of Rulemaking Action
Advance Notice of Proposed Rulemaking (ANPRM)	<p>ANPRM:</p> <ul style="list-style-type: none"> notifies the public of an agency's intent to publish a notice of proposed rulemaking is: <ul style="list-style-type: none"> published before a notice of proposed rulemaking often used to obtain public views regarding the need for rulemaking or to obtain public participation in the formulation of a notice of proposed rulemaking. does not change existing regulations.
Notice of Proposed Rulemaking (NPRM)	<p>NPRM:</p> <ul style="list-style-type: none"> is published in FR to inform the public that an agency is proposing a new regulation or modifying an existing regulation normally provides the public with a 60-calendar day period to submit written comments does not change existing regulations.
Interim Rule	<p>An interim rule:</p> <ul style="list-style-type: none"> is published in FR to effect a regulatory change does not necessarily have to be preceded by NPRM when there is, for example, an emergency situation or congress has specifically provided for an interim rule publication adds new regulations, modifies existing regulations, or both, and provides the public with a comment period regarding the regulatory changes. <p>Corresponding changes to FSA directives may be published simultaneously.</p>

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3 Federal Register System (Continued)

C
FR (Continued)

Rulemaking Action	Explanation of Rulemaking Action
Final Rule	<p>A final rule:</p> <ul style="list-style-type: none"> • affects a regulatory change • is an agency's response to comments received during the NPRM or interim rule process • may adopt the NPRM or interim rule as published, or include revisions in response to comments received. <p>Corresponding changes to FSA directives may be published simultaneously.</p>

D
Relationship to
Agency
Directives

The FR system was established to inform the public of the regulations affecting them. Agency directives are issued to inform agency staff how to implement the regulations in CFR.

Historically, most FmHA Instructions were published verbatim in CFR. The current CFR's under which FLP is administered contain administrative provisions that do not affect the public. Consequently, most administrative FLP processes cannot be revised without going through the FR rulemaking process. This has caused long delays in making seemingly minor changes to the program.

Note: The procedures for NAD are in 7 CFR Part 11. Section 11.10(c) states that "All determinations of the Hearing Officers and the Director must be based on information from the case record, laws applicable to the matter at issue, and applicable regulations published in the **Federal Register**..." Therefore, adverse determinations affecting the public must be based on provisions contained in CFR, rather than those contained in agency directives.

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3 Federal Register System (Continued)

E

Planned Changes

The following actions are planned for CFR parts currently used to administer FLP:

- all administrative provisions and internal policy will be removed from CFR

Note: Information establishing loan making and servicing requirements, and that which is necessary for FSA to successfully defend FSA's actions with NAD, will remain in CFR.

- CFR parts that apply to FLP will be moved:
 - from Title 7, Chapter XVIII, Parts 1806 through 2045
 - to Title 7, Chapter VII, Parts 761 through 776.
- CFR parts currently shared with RD will be updated to remove references to FLP.

4 Information About Directives and Forms

A

Type, Purpose, and Responsibilities

The following table provides information about:

- the type of issuance containing FLP policy and instructions
- the purpose of the issuance
- who is responsible for the issuance.

Type	Purpose	Responsibilities
FSA Handbooks	<p>Permanent directives issued by FSA:</p> <ul style="list-style-type: none"> • to convey long-term or continuing policy, procedures, instructions, and information • for all continuing instructions in effect until amended or made obsolete • to implement laws, regulations, and directives from external sources that affect FFAS operations. <p>Note: 1-AS, Exhibit 4 provides a list of current FSA handbooks.</p>	<p>Supervisory officials shall ensure that:</p> <ul style="list-style-type: none"> • directives applicable to the functions and programs of the office are maintained • directives are kept up to date • a person is designated responsibility for ensuring that all employees receive all directives affecting them • obsolete directives are disposed of according to 2-AS and 25-AS.

Note: Plans are to consolidate about 60 former FmHA Instructions into six FSA handbooks under the FLP series. In addition, about 20 other former FmHA Instructions will be incorporated into existing FSA handbooks.

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4 Information About Directives and Forms (Continued)

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Type, Purpose,
and Responsibilities
(Continued)

Type	Purpose	Responsibilities
Amendment Transmittals	<p>Amendment transmittals:</p> <ul style="list-style-type: none"> transmit new, or changes to existing, FFAS handbooks explain reasons for issuance contain a page control chart that identifies replaced, removed, and added pages <p>Note: This does not apply to a new or revised handbook.</p> <ul style="list-style-type: none"> identify any directives made obsolete by the issuance. This includes information about replacing RD and FmHA Instructions with FSA handbooks. <p>Note: An amendment transmittal addresses changes to 1 specific handbook, which is unlike PN's which may include revisions to numerous instructions, forms, and/or FMI's.</p>	<p>The MSD Directives Team uploads handbook amendments to the Handbooks File Library on the FSA Bulletin Board System (BBS).</p> <p>State Offices or other Electronic Distribution System (EDS) locations shall:</p> <ul style="list-style-type: none"> download files from the Handbooks File Library on BBS print and distribute copies. <p>State Offices shall:</p> <ul style="list-style-type: none"> ensure that amendments are distributed to applicable program areas within the State Office distribute to County Offices, if applicable promptly file amendments to ensure that handbooks are kept current. <p>County Offices shall:</p> <ul style="list-style-type: none"> ensure that all employees are aware of handbook amendments affecting them promptly file amendments to ensure that handbooks are kept current.

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4 Information About Directives and Forms (Continued)**A****Type, Purpose,
and Responsibilities
(Continued)**

Type	Purpose	Responsibilities
FSA Notices and FSA Numbered Memos	<p>Temporary directives issued by FSA to:</p> <ul style="list-style-type: none"> • remind users of the applicability of existing permanent directives' provisions • provide short-term information or instructions of general applicability • make announcements or 1-time requests. 	<p>The MSD Directives Team uploads temporary directives to the Notices File Library on BBS.</p> <p>State Offices or other EDS locations shall:</p> <ul style="list-style-type: none"> • download files from the Notices File Library on BBS • print and distribute copies. <p>State Offices shall ensure that temporary directives are:</p> <ul style="list-style-type: none"> • distributed to applicable program areas or all employees within the State Office • distributed to County Offices, if applicable • promptly filed to ensure that files are kept current. <p>County Offices shall:</p> <ul style="list-style-type: none"> • ensure that all employees are aware of temporary directives that affect them • promptly file temporary directives to ensure that files are kept current.

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4 Information About Directives and Forms (Continued)

A

**Type, Purpose,
and
Responsibilities
(Continued)**

Note: See Exhibit 1 for:

- FmHA Instructions that were transferred to FSA
- RD Instructions that are shared by FSA and RD.

Type	Purpose	Responsibilities
<p>FmHA Instructions</p> <p>This type may also be referred to as FSA Transferred Instructions.</p>	<p>Permanent directives issued by the former FmHA that:</p> <ul style="list-style-type: none"> • are used for the same purposes as an FSA handbook • were transferred to FSA under the USDA reorganization • will be replaced by FSA handbooks. 	<p>Supervisory officials shall ensure that:</p> <ul style="list-style-type: none"> • FmHA Instructions that apply to the functions and programs of the office are maintained • obsolete FmHA Instructions are disposed of as directed.
<p>RD Instructions</p>	<p>Permanent directives issued by the former FmHA that:</p> <ul style="list-style-type: none"> • are used for the same purposes as an FSA handbook • may be shared with 1 or more RD Agency and FSA • if identified as shared, will be replaced by an FSA handbook. <p>Note: RD is replacing "FmHA" with:</p> <ul style="list-style-type: none"> • "RD" when referencing shared forms and instructions • "FSA Transferred" when referencing forms and instructions transferred to FSA. 	<p>Supervisory officials shall ensure that:</p> <ul style="list-style-type: none"> • shared Instructions that apply to the functions and programs of the office are maintained • obsolete RD Instructions are disposed of as directed.

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4 Information About Directives and Forms (Continued)

A Type, Purpose, and Responsibilities (Continued)

Type	Purpose	Responsibilities
FSA PN and RD PN	<p>FSA PN is used to announce revisions to 1 or more FmHA Instructions, forms, Guide Forms, Guide Letters, or FMI's transferred to FSA.</p> <p>RD PN is used to announce revisions to Instructions, forms, or FMI's that are shared by FSA and RD.</p> <p>FSA and RD PN's:</p> <ul style="list-style-type: none"> • provide the effective date of revisions • provide instructions to insert, remove, correct, change, or mark directives that apply to FLP • announce new, revised, or replaced forms and provide for the disposition of replaced or obsolete forms that apply to FLP • will be used until FmHA Instructions are replaced by FSA handbooks. <p>Note: RD PN's will be edited by FSA before distribution to delete information that does not apply to FLP.</p>	<p>The Directives Team uploads FSA and RD PN's to the Handbooks File Library on BBS.</p> <p>State Offices or other EDS locations shall:</p> <ul style="list-style-type: none"> • download files from the Handbooks File Library on BBS • print and distribute copies. <p>State Offices shall:</p> <ul style="list-style-type: none"> • ensure that PN's are distributed to applicable program areas within the State Office • distribute to County Offices, if applicable • promptly file to ensure that Instructions, forms, Guide Forms, Guide Letters, and FMI's are kept up to date according to RD Instruction 2006-A. <p>County Offices shall:</p> <ul style="list-style-type: none"> • ensure that all employees review all PN's affecting them • promptly file to ensure that Instructions, forms, Guide Forms, Guide Letters, and FMI's are kept up to date according to RD Instruction 2006-A.

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4 Information About Directives and Forms (Continued)

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Type, Purpose,
and Responsibilities
(Continued)

Type	Purpose	Responsibilities
FMI	<p>Provides detailed instruction regarding the purpose of the form, and may include:</p> <ul style="list-style-type: none"> • references to applicable directives • information to be inserted on the form • number of copies to be prepared and signed • distribution of original and copies. 	<p>The Directives Team uploads FMI's, as part of the applicable PN, to the Handbooks File Library on BBS.</p> <p>State Offices shall:</p> <ul style="list-style-type: none"> • print and distribute FMI's released as part of printing and distributing the associated PN to: <ul style="list-style-type: none"> • applicable program areas within the State Office • County Offices • promptly file to ensure FMI's are kept up to date. <p>County Offices shall:</p> <ul style="list-style-type: none"> • ensure that all employees review FMI's affecting them • promptly file to ensure that FMI's are kept up to date.

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4 Information About Directives and Forms (Continued)**A****Type, Purpose,
and Responsibilities
(Continued)**

Type	Purpose	Responsibilities
Guide and Form Letters	<p>Guide Letters:</p> <ul style="list-style-type: none"> are sample letters that prescribe the style and contain information for use in preparing a letter are intended to: <ul style="list-style-type: none"> save time in composing individual letters obtain uniformity in handling similar transactions expedite the flow of work will contain a cross reference to appropriate directives regarding their use. <p>Form Letters:</p> <ul style="list-style-type: none"> are forms with blank spaces for the insertion of information shall not be modified without prior approval from the National Office. 	<p>The Directives Team uploads Guide and Form Letters, as part of the applicable PN, to the Handbooks File Library on BBS.</p> <p>State Offices shall:</p> <ul style="list-style-type: none"> print and distribute Guide and Form Letters released as part of printing and distributing the associated PN to: <ul style="list-style-type: none"> applicable program areas within the State Office County Offices promptly file to ensure that Guide and Form Letters are kept up to date. <p>County Offices shall:</p> <ul style="list-style-type: none"> ensure that all employees review Guide and Form Letters affecting them promptly file to ensure that Guide and Form Letters are kept up to date.

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4 Information About Directives and Forms (Continued)

A Type, Purpose, and Responsibilities (Continued)

Type	Purpose	Responsibilities
FFAS Forms Catalog	<p>Lists miscellaneous supplies and publications, program aids, and active forms, and includes:</p> <ul style="list-style-type: none"> • form prefix and number • date of current version • form title • unit of issuance • stock location • applicable directives. 	<p>The Forms Team uploads the FFAS Forms Catalog to the Forms File Library on BBS for State Offices to download, print, and distribute.</p> <p>State and County Offices shall:</p> <ul style="list-style-type: none"> • promptly update the catalog upon receipt of the National Weekly Checklist • refer to the catalog before ordering forms to identify stock by location.
National Procedure Checklists	<p>The National Procedure Checklist:</p> <ul style="list-style-type: none"> • is prepared and issued each Wednesday by the Directives Team • contains temporary and permanent directives that are issued during the previous week • contains directives made obsolete or superseded during the previous week • includes, in the third week of each month, a reports calendar that lists all reports for the next month <p>Note: Reports referenced in RD and FmHA Instructions are not included in the reports calendar at this time.</p>	<p>The Directives Team uploads the checklist to the BBS Notices File Library.</p> <p>State Offices or other EDS locations shall:</p> <ul style="list-style-type: none"> • download files from the BBS Notices File Library • print and distribute copies. <p>State Offices shall:</p> <ul style="list-style-type: none"> • review the checklist in each program area to ensure that all applicable directives were received • distribute copies of the checklist to County Offices • update the FFAS Forms Catalog with any forms changes issued • mark obsolete on all copies of any directive listed as obsolete on the checklist • locally reproduce sufficient copies of electronic forms for County Offices when downloaded from the Forms Release.

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4 Information About Directives and Forms (Continued)

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Type, Purpose,
and Responsibilities
(Continued)

Type	Purpose	Responsibilities
National Procedure Checklists (Continued)	<ul style="list-style-type: none"> contains new, reprinted, reissued, or revised forms provides guidance regarding the disposition of replaced or obsolete forms includes the tentative delivery date that the revised, reissued, new, or reprinted forms will be available at the stock by location if they are printed. <p>Note: If the form is electronic:</p> <ul style="list-style-type: none"> the checklist includes the Forms Release No. the form will be uploaded to the BBS Forms File Library. 	<p>County Offices shall:</p> <ul style="list-style-type: none"> review the checklist to ensure that all applicable directives were received update the FFAS Forms Catalog with any forms changes issued mark obsolete on all copies of any directive listed as obsolete on the checklist.

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